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March 6, 2017

Rep. Holly Hughes
N-1195 House Office Building
P.O. Box 30014
Lansing, MI 48909

Re: MCL 450.5010 (LLC Act Filing Fee Waiver for Veterans)

Dear Rep. Hughes:

Section 1101(7) of the Michigan Limited Liability Company Act (MCL 450.5101) allows the LARA administrator to waive any fees required by the rest of Section 1101 if a majority of the membership interest of the company is held by honorably discharged veterans. In order to obtain a fee waiver, it is LARA's policy to require veterans to submit a copy of their DD-214, along with a statement of ownership.

But I have been told by employees of the Corporations Division of LARA that it is the agency's policy not to allow a \$50 fee waiver when Articles of Organization are filed. The reason I was given is that the fee waiver requires membership interest be owned by veterans, and membership interest does not yet exist when filing the initial Articles of Organization.

I do not believe this is the intent of the legislation, and MCL 450.5101(7) should be amended to make clear that the \$50 Articles of Organization fee is also waived if more than 50% of the LLC membership interest will be owned by honorably discharged veterans upon filing of the articles.

This amendment will only require a minor change to LARA procedure. The Department already requires a signed statement by the veteran members regarding their ownership, and this statement can simply say that veteran members will own more than 50% of the LLC immediately upon filing of the Articles of Organization.

Sincerely,



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enclosure